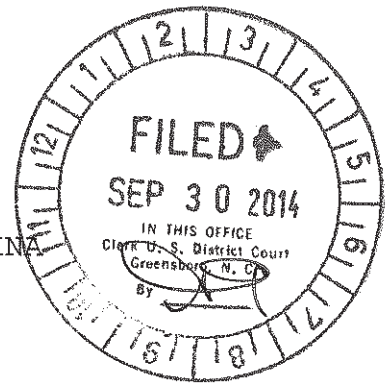


IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA



UNITED STATES OF AMERICA :
 :
 v. : 1:14CR360-1
 :
 WILLIAM CASSIDY WAGNER :

The Grand Jury charges:

COUNT ONE

1. At all times material to this Indictment, WILLIAM CASSIDY WAGNER was a resident of Guilford County, in the Middle District of North Carolina.

2. At all times material to this Indictment, Colonial Life and Accident Insurance Company ("Colonial Life") was an insurance company in the business of selling insurance products with an office and place of business in Columbia, South Carolina.

3. From on or about January 29, 2010, continuing up to and including on or about January 22, 2011, the exact dates to the Grand Jurors unknown, WILLIAM CASSIDY WAGNER worked as an insurance agent qualified to sell Colonial Life insurance products.

SCHEME AND ARTIFICE TO DEFRAUD

4. From on or about January 29, 2010, continuing up to and including on or about January 22, 2011, the exact dates to the Grand Jurors unknown, in the County of Guilford, in the Middle District of North Carolina, and elsewhere, WILLIAM CASSIDY WAGNER did devise

and intend to devise a scheme and artifice to defraud Colonial Life of money by inducing Colonial Life by materially false and fraudulent pretenses, representations and promises to pay insurance premiums and sales performance bonuses under the pretense that WILLIAM CASSIDY WAGNER and insurance agents under his direction had written certain group insurance policies enrolling new corporate clients in Colonial Life group insurance policies, when in fact, as WILLIAM CASSIDY WAGNER then well knew, such corporate clients did not actually exist, but were falsified by WILLIAM CASSIDY WAGNER, and others, for the purpose of making it appear that WILLIAM CASSIDY WAGNER and others had written new group insurance policies to fraudulently induce Colonial Life to pay insurance premiums and performance bonuses to WILLIAM CASSIDY WAGNER and insurance agents working at his direction.

5. It was a part of the scheme and artifice to defraud that WILLIAM CASSIDY WAGNER, and others, would create a false and fictitious business that WILLIAM CASSIDY WAGNER would falsely and fraudulently represent to be interested in purchasing a Colonial Life group life insurance policy for its employees.

6. It was a further part of the scheme and artifice to defraud that insurance agents, at the direction of WILLIAM CASSIDY WAGNER, would prepare and submit a Colonial Life Account Information Form ("AIF") to Colonial Life for the fictitious business.

7. It was a further part of the scheme and artifice to defraud that insurance agents, at the direction of WILLIAM CASSIDY WAGNER, would falsely and fraudulently prepare the AIF with information purporting to be corporate information regarding the fictitious business purchasing insurance. However, as WILLIAM CASSIDY WAGNER then well knew, the corporate information placed on the AIF was false and had been placed on the AIF by WILLIAM CASSIDY WAGNER or insurance agents working at his direction.

8. It was a further part of the scheme and artifice to defraud that WILLIAM CASSIDY WAGNER and insurance agents, working at his direction, would and did provide Colonial Life with the name of a person purporting to be an officer or owner of the fictitious business, when in fact, as WILLIAM CASSIDY WAGNER then well knew, such persons were not officers or owners of the business purportedly purchasing insurance from Colonial Life.

9. It was a further part of the scheme and artifice to defraud that WILLIAM CASSIDY WAGNER and insurance agents, working at his direction, would coach such persons on how to falsely and fraudulently present themselves to Colonial Life as officers and operators of businesses purchasing group insurance.

10. It was a further part of the scheme and artifice to defraud that WILLIAM CASSIDY WAGNER would open Post Office boxes for the fictitious businesses to match the mailing addresses for the

businesses provided by WILLIAM CASSIDY WAGNER, and insurance agents working at his direction, in the AIF submitted to Colonial Life.

11. It was a further part of the scheme and artifice to defraud that WILLIAM CASSIDY WAGNER and insurance agents, working at his direction, would falsely and fraudulently represent to Colonial Life that at least three employees of the fictitious businesses would receive life insurance benefits from the group life insurance policies issued by Colonial Life.

12. It was a further part of the scheme and artifice to defraud that insurance agents, working at the direction of WILLIAM CASSIDY WAGNER, received commissions from Colonial Life on group life insurance policies issued by Colonial Life to fictitious businesses, while knowing that such businesses did not exist and that Colonial Life had been fraudulently induced to issue such policies.

13. It was a further part of the scheme and artifice to defraud that insurance agents, working at the direction of WILLIAM CASSIDY WAGNER, received performance bonuses from Colonial Life on group life insurance policies issued by Colonial Life to fictitious businesses, while knowing that such businesses did not exist and that Colonial Life had been fraudulently induced to issue such policies.

14. It was a further part of the scheme and artifice to defraud that WILLIAM CASSIDY WAGNER required insurance agents working at his direction to "kick-back" to him approximately ninety percent of their

commissions and performance bonuses paid by Colonial Life on fraudulent group life insurance policies. At all times material herein, WILLIAM CASSIDY WAGNER knew that Colonial Life had been fraudulently induced to issue such group life policies by himself and insurance agents acting at his direction.

15. It was a further part of the scheme and artifice to defraud that WILLIAM CASSIDY WAGNER accepted and received approximately \$67,000 in "kick-backs" from Colonial Life premiums and bonuses from group life insurance policies issued to fictitious businesses by Colonial Life based on the false pretenses and false representations of WILLIAM CASSIDY WAGNER and insurance agents working at his direction.

16. It was a further part of the scheme and artifice to defraud that, on or about November 19, 2010, WILLIAM CASSIDY WAGNER, or an insurance agent working at his direction, submitted a false and fraudulent AIF for a business named "Rowe Consulting," High Point, North Carolina, knowing that such business did not in fact exist.

17. It was a further part of the scheme and artifice to defraud that, on or about November 19, 2010, WILLIAM CASSIDY WAGNER opened a Post Office box in High Point, North Carolina, under the business name of "Rowe Consulting" for the purpose of receiving Colonial Life insurance documents, when WILLIAM CASSIDY WAGNER then well knew that "Rowe Consulting" was a fictitious business.

18. It was a further part of the scheme and artifice to defraud that, on or about December 3, 2010, WILLIAM CASSIDY WAGNER, or an insurance agent at his direction, did submit an insurance application for a person whose initials are T.E. for accident coverage to Colonial Life under the false pretense that T.E. was an employee of "Rowe Consulting," when in fact, as WILLIAM CASSIDY WAGNER then well knew, T.E. was not an employee of "Rowe Consulting," which was a fictitious business.

19. It was a further part of the scheme and artifice to defraud that, on or about December 3, 2010, WILLIAM CASSIDY WAGNER, or an insurance agent working at his direction, did submit an insurance application for a person whose initials are T.E. for cancer coverage to Colonial Life under the false pretense that T.E. was an employee of "Rowe Consulting," when in fact, as WILLIAM CASSIDY WAGNER then well knew, T.E. was not an employee of "Rowe Consulting," which was a fictitious business.

20. It was a further part of the scheme and artifice to defraud that on or about December 3, 2010, WILLIAM CASSIDY WAGNER, or an insurance agent working at his direction, did submit an insurance application for a person whose initials are T.E. for hospital coverage to Colonial Life under the false pretense that T.E. was an employee of "Rowe Consulting," when in fact, as WILLIAM CASSIDY

WAGNER then well knew, T.E. was not an employee of "Rowe Consulting," which was a fictitious business.

21. It was a further part of the scheme and artifice to defraud that, based on the fraudulent misrepresentations of WILLIAM CASSIDY WAGNER, or insurance agents working at his direction, Colonial Life issued a group life insurance policy for "Rowe Consulting" with employee coverage for T.E.

22. It was a further part of the scheme and artifice to defraud that insurance agents working at the direction of WILLIAM CASSIDY WAGNER received commissions and performance bonuses for selling "Rowe Consulting" group life insurance.

23. It was a further part of the scheme and artifice to defraud that WILLIAM CASSIDY WAGNER did receive "kick-backs" from commissions paid to insurance agents for selling "Rowe Consulting" group life insurance policies.

24. It was a further part of the scheme and artifice to defraud that, on or about December 3, 2010, WILLIAM CASSIDY WAGNER, or an insurance agent working at his direction, submitted a false and fraudulent AIF for a business named "Hall Business Solutions," Jamestown, North Carolina, knowing that such business did not in fact exist.

25. It was a further part of the scheme and artifice to defraud that, on or about December 3, 2010, WILLIAM CASSIDY WAGNER opened

a Post Office box in Jamestown, North Carolina, under the business name of "Hall Business Solutions" for the purpose of receiving Colonial Life insurance documents, when in fact, as WILLIAM CASSIDY WAGNER then well knew, "Hall Business Solutions" was a fictitious business.

26. It was a further part of the scheme and artifice to defraud that, on or about December 3, 2010, WILLIAM CASSIDY WAGNER, or an insurance agent working at his direction, did submit an insurance application for a person whose initials are S.B. for accident coverage to Colonial Life under the false pretense that S.B. was an employee of "Hall Business Solutions," when in fact, as WILLIAM CASSIDY WAGNER then well knew, S.B. was not an employee of "Hall Business Solutions," which was a fictitious business.

27. It was a further part of the scheme and artifice to defraud that, on or about December 3, 2010, WILLIAM CASSIDY WAGNER, or an insurance agent working at his direction, did submit an insurance application for a person whose initials are S.B. for cancer coverage to Colonial Life under the false pretense that S.B. was an employee of "Hall Business Solutions," when in fact, as WILLIAM CASSIDY WAGNER then well knew, S.B. was not an employee of "Hall Business Solutions," which was a fictitious business.

28. It was a further part of the scheme and artifice to defraud that, on or about December 3, 2010, WILLIAM CASSIDY WAGNER, or an

insurance agent working at his direction, did submit an insurance application for a person whose initials are S.B. for hospital coverage to Colonial Life under the false pretense that S.B. was an employee of "Hall Business Solutions," when in fact, as WILLIAM CASSIDY WAGNER then well knew, S.B. was not an employee of "Hall Business Solutions," which was a fictitious business.

29. It was a further part of the scheme and artifice to defraud that, based on the fraudulent misrepresentations of WILLIAM CASSIDY WAGNER, or insurance agents working at his direction, Colonial Life issued a group life insurance policy for "Hall Business Solutions" with employee coverage for S.B.

30. It was a further part of the scheme and artifice to defraud that insurance agents working at the direction of WILLIAM CASSIDY WAGNER received commissions and performance bonuses for selling "Hall Business Solutions" group life insurance.

31. It was a further part of the scheme and artifice to defraud that WILLIAM CASSIDY WAGNER received "kick-backs" from commissions paid to insurance agents for selling "Hall Business Solutions" group life insurance policies.

32. It was a further part of the scheme and artifice to defraud that WILLIAM CASSIDY WAGNER converted to his own use and benefit all of the "kick-backs" from commissions and bonuses paid by Colonial

Life due to his fraudulent misrepresentations and the fraudulent representations of insurance agents.

EXECUTION

33. On or about December 3, 2010, in the County of Guilford, in the Middle District of North Carolina, WILLIAM CASSIDY WAGNER, for the purpose of executing the aforesaid scheme and artifice to defraud, and attempting to do so, knowingly transmitted and caused to be transmitted by means of wire communications in interstate commerce from High Point, Guilford County, in the Middle District of North Carolina, to the offices of Colonial Life in Columbia, South Carolina, certain writings, signs, signals and sounds, that is: an electronic computer communication consisting of a Colonial Life insurance application for accident insurance coverage for a purported employee with the initials T.E. of a fictitious business known as "Rowe Consulting."

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWO

On or about December 3, 2010, in the County of Guilford, in the Middle District of North Carolina, WILLIAM CASSIDY WAGNER, during and in relation to a felony enumerated in Title 18, United States Code, Section 1028A(c), to wit: wire fraud, in violation of Title 18, United States Code, Section 1343, as alleged in Count One and

incorporated by reference herein, knowingly possessed and used without lawful authority a means of identification of another person, that is, the name and Social Security number of a person whose initials are T.E.; in violation of Title 18, United States Code, Section 1028A(a)(1).

COUNT THREE

1. The Grand Jury re-alleges the allegations in Paragraphs 1 through 33 of Count One as if fully set forth herein.

2. On or about December 3, 2010, in the County of Guilford, in the Middle District of North Carolina, WILLIAM CASSIDY WAGNER, for the purpose of executing the aforesaid scheme and artifice to defraud, and attempting to do so, knowingly transmitted and caused to be transmitted by means of wire communications in interstate commerce from High Point, Guilford County, in the Middle District of North Carolina, to the offices of Colonial Life in Columbia, South Carolina, certain writings, signs, signals and sounds, that is: an electronic computer communication consisting of a Colonial Life insurance application for accident insurance coverage for a purported employee with the initials S.B. of a fictitious business known as "Hall Business Solutions."

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT FOUR

On or about December 3, 2010, in the County of Guilford, in the Middle District of North Carolina, WILLIAM CASSIDY WAGNER, during and in relation to a felony enumerated in Title 18, United States Code, Section 1028A(c), to wit: wire fraud, in violation of Title 18, United States Code, Section 1343, as alleged in Count Three and incorporated by reference herein, knowingly possessed and used without lawful authority a means of identification of another person, that is, the name and Social Security number of a person whose initials are S.B.; in violation of Title 18, United States Code, Section 1028A(a)(1).

A TRUE BILL:



FOREPERSON

A handwritten signature in cursive script, appearing to read 'F. Chut', written over a horizontal line.

FRANK J. CHUT, JR.
ASSISTANT UNITED STATES ATTORNEY

A handwritten signature in cursive script, appearing to read 'Ripley Rand', written over a horizontal line.

RIPLEY RAND
UNITED STATES ATTORNEY